



U.S. DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
(B-7-2016)

Foreign-Trade Zone (FTZ) 134 – Chattanooga, Tennessee
Notification of Proposed Production Activity
Volkswagen Group of America Chattanooga Operations, LLC
(Motor Vehicles)
Chattanooga, Tennessee

The Chattanooga Chamber Foundation, grantee of FTZ 134, submitted a notification of proposed production activity to the FTZ Board on behalf of Volkswagen Group of America Chattanooga Operations, LLC (VGACO), located in Chattanooga, Tennessee. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on February 10, 2016.

VGACO already has authority to produce passenger sedans, sport utility vehicles, and minivans within Site 3 of FTZ 134. The current request would add certain foreign-status materials and components to the scope of authority. Pursuant to 15 CFR 400.14(b), additional FTZ authority would be limited to the specific foreign-status materials and components and specific finished products described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt VGACO from customs duty payments on the foreign status materials and components used in export production. On its domestic sales, VGACO would be able to choose the duty rate during customs entry procedures that applies to passenger motor vehicles (duty rate 2.5%) for the foreign status materials and components noted

below and in the existing scope of authority. Customs duties also could possibly be deferred or reduced on foreign status production equipment.

The materials and components sourced from abroad include: plastic hoses; door joint seals; USB hubs; microphones; software; memory cards; and, tip switches (duty rate ranges from free to 3.1%).

Public comment is invited from interested parties. Submissions shall be addressed to the FTZ Board's Executive Secretary at the address below. The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection at the Office of the Executive Secretary, Foreign-Trade Zones Board, Room 21013, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230-0002, and in the "Reading Room" section of the FTZ Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Pierre Duy at Pierre.Duy@trade.gov or (202) 482-1378.

Dated: February 16, 2016

Andrew McGilvray
Executive Secretary

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